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Pemba
Capital Partners



Device Technologies

Pemba Capital successfully exits
Device Technologies

Device Technologies

Pemba Capital invested in Device Technologies as a platform for industry consolidation in the high growth medical devices sector. Pemba's partnership credentials led to early exclusivity on the initial sell-down transaction that was triggered by ill-health of one founder. Pemba and the other founder shareholders together developed a staged succession solution.

ABOUT DEVICE TECHNOLOGIES

Device Technologies (DT) is the market leading distributor of innovative medical technology into hospitals and other healthcare providers in Australia and New Zealand. DT sources, assesses and exclusively contracts specialist implants, devices and other high-tech equipment which it believes have significant growth potential.

DEVICE TECHNOLOGIES GROWTH STORY

Since Pemba invested, DT has grown its portfolio to over 30,000 highly differentiated products from leading global OEM partners and at Pemba's exit these products generated revenues of close to \$500m from over 5,000 customers.

Over the course of the investment nineteen bolt-on acquisitions were made:

- OPSM – Ophthalmology and optometry
- OMF – Optometry
- Saniwaste – Waste management
- Equipmed – Imaging systems
- Biomedex – Primary healthcare distribution
- Healthcorp – Corporate health
- Proact Group – Anaesthetics
- Surgical Networks – Surgical instruments
- Medical Device Alliance – Breast implants

- Advanced Skin Technology – Cosmeceuticals
- Taylor Surgical – Operating theatre equipment
- Medical Sales and Service Group – Critical care
- uHealth – Spinal, orthopaedics
- Reid Healthcare – Cardiovascular
- Haines – Infection prevention and sterilisation
- AHC Solutions – Critical care
- West Coast Surgical & Medical Supplies – Critical care
- Pyramed – Cardiovascular
- Western Biomedical – Surgical supplies

THE SUCCESSION SOLUTION

In 2013 the founder shareholders recognised the need to transition the day to day leadership of the company and this triggered a further sale of shares to Pemba. With Pemba's guidance the Board began the process of gradually transitioning three key team members into the top roles. All had worked at DT for an extensive period.

RESULT

DT's revenue growth consistently exceeded 15% per annum since Pemba made its initial investment in 2007. This makes DT one of the fastest growing and most successful private healthcare companies in Australia and New Zealand and has led to it taking a strong leadership position in the market at exit.

DEAL TEAM

Mark Summerhayes and Magnus Hildingsson. Please contact them on 02 9256 6300 for further information about this or other deals across our chosen sectors of healthcare, technology, business services, financial services and education.

Advisors

We would like to thank the advisors who worked on the exit and also those involved with the acquisitions made during our investment:

- Goldman Sachs
- Gilbert + Tobin
- Fort Street
- Ernst and Young
- Thomson Geer

